



Rialtas na hÉireann
Government of Ireland

Statutory Audit Report to the Members of Cavan County Council for the Year Ended 31 December 2024

Local Government Audit Service

Prepared by the Department of Housing, Local Government and Heritage
gov.ie/housing

Contents

Auditor's Report to the Members of Cavan County Council	1
1 Introduction.....	1
2 Financial Standing	1
2.1 Statement of Comprehensive Income	1
2.2 Statement of Financial Position.....	2
3 Income Collection	2
3.1 Summary of Income Collection	2
3.2 Rates	2
3.3 Rates Revaluation Appeals.....	3
3.4 Rents and Annuities	3
3.5 Housing Loans	4
3.6 Bad Debt Provision	4
4 Increased Cost of Business Grant (ICOB)	5
5 Debtors.....	5
5.1 Water Services Stranded Central Management Charge (CMC)....	5
5.2 Shared Ownership Loans	6
5.3 Fire Charges Debtors.....	6
6 Fixed Assets and Work in Progress.....	7
6.1 Fixed Assets Overview	7
6.2 Tenant Purchases.....	7
6.3 Transfers from Work in Progress (WIP) to Fixed Assets.....	7
6.4 Updating of Financial Management System (FMS) with Fixed Asset Additions	8
6.5 Land / Property Register	8
7 Capital Account	9
7.1 Capital Account Overview	9
7.2 Shannon Pot Discovery Centre / Cavan Burren Park Project	9
7.3 Multi-Storey Car Park Refurbishment	10
7.4 N55 Corduff to South of Killydoon Section B Roads Scheme	10
7.5 Accounting for Mobility Aid / Adaptation Grants	11
8 Development Contributions	11
9 Derelict Sites	11
10 Urban Regeneration and Development Fund (URDF) - Third Round of Funding Support	12
11 Governance of Approved Housing Bodies (AHBs)	12

12	Local Authority Companies	13
12.1	Local Authority Companies Overview	13
12.2	Glassell Limited.....	13
12.3	Cavan Regional Health and Leisure CLG	13
12.4	Cavan Digital Hub Limited.....	14
13	Governance and Propriety	14
13.1	Corporate Governance	14
13.2	Statement on Internal Financial Control (SIFC) and Governance Statement	14
13.3	Fraud and Contingency Plan.....	15
13.4	Risk Management.....	15
13.5	Internal Audit.....	15
13.6	Audit Committee	16
	Acknowledgement.....	16

Auditor's Report to the Members of Cavan County Council

1 Introduction

I have audited the Annual Financial Statement (AFS) of Cavan County Council for the year ended 31 December 2024, which comprises the Statement of Accounting Policies, Statement of Comprehensive Income, Statement of Financial Position, Funds Flow Statement and notes to and forming part of the accounts. The financial reporting framework that has been applied in its preparation is the Code of Practice and Accounting Regulations for Local Authorities, as prescribed by the Minister for Housing, Local Government and Heritage.

My main statutory responsibility, following completion of the audit work, is to express my independent audit opinion on the AFS of the Council, as to whether it presents fairly the financial position at 31 December 2024 and its income and expenditure. My audit opinion, which is unmodified, is stated on page 5 of the AFS.

The Council is by law, responsible for the maintenance of all accounting records including the preparation of the AFS. It is my responsibility, based on my audit, to form an independent opinion on the statement and to report my opinion. I conducted my audit in accordance with the Code of Audit Practice. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the AFS. It also includes an assessment of the significant estimates and judgments made by the Council's management in the preparation of the AFS, and of whether the accounting policies are appropriate to the Council's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations, which I considered necessary to provide sufficient evidence to give reasonable assurance that the financial statement is free from material misstatement, whether caused by fraud or error.

This report is prepared in accordance with Section 120(1) (c) of the Local Government Act, 2001 and should be read in conjunction with the audited AFS.

2 Financial Standing

2.1 Statement of Comprehensive Income

The Council recorded a surplus of €301 after net transfers to reserves of €3.3m. Details of over / under expenditure are included in note 16 to the AFS. The transfers to reserves and the over expenditure were approved by the members in conjunction with their consideration of the draft AFS at the April

2025 meeting.

2.2 Statement of Financial Position

Principal movements in the finances of the Council during 2024 included;

- Increase in fixed assets of €23.5m which includes the addition of 89 housing units, purchases of land for future housing construction and the purchase of a building in Cavan town for future development as the Local Authority's corporate headquarters
- Increase in work in progress of €19.6m which includes €10.7m on the N55 Corduff to South of Killydoon roads scheme (see paragraph 7.4 below), €1.9m on the renovation of Bailieboro Bridewell and Courthouse, €1.6m on the Abbeylands Regeneration Project and €1.6m on the Burren Shannon Pot project (see paragraph 7.2 below)
- Increase in trade debtors and prepayments of €12.3m which includes €9.1m in government debtors in respect of housing projects, €1.2m in rates arrears and €1.3m in development contribution debtors
- Decrease in cash in bank and investments of €7.6m is due to timing differences in addition to capital spending in 2024 on various capital projects including €2.0m on the refurbishment of the multi-storey car park in Cavan town (see paragraph 7.3 below).

3 Income Collection

3.1 Summary of Income Collection

A summary of the major collection yields and associated closing debtors (as outlined in appendix 7 to the AFS), with comparatives for the previous year is as follows:

Income Source	Yield %		Net Debtors €m	
	2024	2023	2024	2023
Rates	81	87	3.7	2.5
Rents & Annuities	77	78	2.5	2.1
Housing Loans	99	100	0.003	0

3.2 Rates

The collection yield for 2024 with regard to rates decreased to 81% (87% in 2023). Gross arrears totalled €4.1m (€3.7m in 2023) which included one account with a debit (adverse) balance of €1.1m, representing 27% of total gross arrears outstanding.

While generally, arrears are being monitored for payment, increased follow-up

is recommended in the case of some accounts.

Rates invoices issued to customers at the end of March 2024. This is an improvement on the previous year, however, this should be kept under review with a view for further improvement, as the early issue of invoices can have a positive effect on the income collection rate.

Chief Executive's Response

The Council will continue to prioritise the collection of rates and will endeavour going forward to ensure the timely issuing of rates invoices. The 2024 collection yield was impacted by several revaluations issued by Tailte Éireann, coupled with the administration of the Power Up and the Increased Cost of Business (ICOB) grant. The rates section succeeded in delivering on these, while at the same time carrying out their normal duties.

3.3 Rates Revaluation Appeals

During 2024, waivers totalling €338k were applied to rates debtors, €123k relating to 2024 and €215k pertaining to previous years in respect of successful revaluation appeals.

Where a reduction in rates due has been applied to individual customer accounts arising from successful revaluation appeals, the excess of Covid-19 waivers received by Cavan County Council which, at the end of 2024 were estimated to be €311k, should be refunded to the Department of Housing, Local Government and Heritage (the Department).

Chief Executive's Response

This matter will be raised with the Department.

3.4 Rents and Annuities

The table below sets out the collection yield in respect of rents and annuities for the last 6 years:

Year	2024	2023	2022	2021	2020	2019
Collection Yield	77%	78%	79%	81%	82%	85%
Gross Arrears	€2.9m	€2.5m	€2.2m	€2.0m	€1.7m	€1.3m

As may be seen from the table above, there has been a decrease in the collection yield annually, while there has been an increase in gross arrears year on year. Total rent invoiced in 2024 was €8.7m, an increase on the previous year of €1.2m (€7.5m in 2023). This was due to an increase in the number of tenants, in addition to a global rent review which commenced in September 2023 and was completed in March 2024. The amount of rent

collected in 2024 was €8.2m (€7.3m in 2023), an increase of €0.9m on the previous year.

During 2024, the Council repossessed two housing units due to the non-payment of rent by the associated tenants. However, a sample of accounts reviewed, indicated that during 2024, there was insufficient follow up of outstanding arrears. Gross arrears at the end of 2024 totalled €2.9m (€2.5m in 2023). Included in this sum is €162k (€142k in 2023) pertaining to rents associated with shared ownership loans (see paragraph 5.2 below). Arrears balances range from €22k to €44k (€20k to €40k in 2023) in respect of the ten accounts with the largest arrears. This matter has been highlighted at previous audits and should be addressed.

Chief Executive's Response

The Council will review the matters outlined above with a view to improving the collection of arrears of rents and annuities.

3.5 Housing Loans

At the end of 2024, gross arrears in respect of housing loans totalled €42k compared to €45k in 2023. A sum of €19k of this amount relates to shared ownership loan arrears. While the Council is not implementing the mortgage arrears resolution process (MARP), a review of a sample of loan accounts indicated that generally, arrears are being monitored for payment.

The bad debt provision while immaterial, is overstated and should be reviewed.

Chief Executive's Response

The Council monitors the collection of all housing loans with the payment of arrears being reviewed on a regular basis. The provision for bad debts will be reviewed.

3.6 Bad Debt Provision

The bad debt provision in respect of rates and rents is considered adequate. These should be kept under review to ensure they are maintained at an adequate level without overprovision.

Chief Executive's Response

The provision for bad debts will be kept under review to ensure that they are maintained at an adequate level without overprovision.

4 Increased Cost of Business Grant (ICOB)

As part of Budget 2024, the Government signed off on a package of €257 million for the ICOB grant as a vital support measure for small and medium businesses. The Department of Enterprise, Trade and Employment were responsible for defining the eligibility criteria for payment and also the general oversight of the scheme.

Each business verified their eligibility by self-declaration. Local authorities managed the processing of payments and this included verifying that the declaration was complete and the applicant was rates compliant as per the scheme's criteria.

Accordingly, the audit of expenditure under these schemes, which amounted to €3m in Cavan County Council for the year ended 31 December 2024, was limited to the specific responsibilities of local authorities, as set out above, and did not include the verification of other eligibility criteria declared by the applicants.

The accounting treatment for the grant is set out in Note 25 in the AFS.

5 Debtors

5.1 Water Services Stranded Central Management Charge (CMC)

In accordance with Circular L3/24 issued by the Department in April 2024, as a consequence of their withdrawal from the delivery of public water services, arrangements were put in place to reimburse local authorities for stranded CMC costs including:

- The portion of CMC costs that pertain to water services subject to a ceiling of the amount incurred in 2022
- For 2024 only, the costs of staff resources in respect of staff who worked less than 50% on water services.

Included in Government debtors at the end of 2024, is a balance outstanding of €223k in respect of the reimbursement from the Department for CMC costs. However, as outlined above, this reimbursement was subject to a ceiling of the CMC amount incurred in 2022 which, at the end of 2024, had already been reimbursed in full to Cavan County Council. Based on this, no further amounts are outstanding for payment by the Department to the Council.

No adjustment has been made in respect of this balance as it is considered immaterial in the overall context of the 2024 AFS. However, it should be reviewed for the 2025 AFS.

Chief Executive's Response

This is a national issue for all local authorities and discussions are ongoing with the Department. Previous correspondence from the Minister for the Department of Housing, Local Government and Heritage indicated that all stranded costs would be reimbursed in full.

5.2 Shared Ownership Loans

There were 19 shared ownership loans in issue by the Local Authority at the end of 2024. In respect of seven of these loans, the associated mortgage has been redeemed. These redemptions took place between the years 2018 to 2024. However, there remains a balance due in respect of the rented equity associated with these loans where there has been no movement since the redemption of the mortgage. These balances range from €41k to €97k.

While there remains a balance outstanding on the rented equity accounts, the mortgagees continue to pay a monthly rent calculated on this balance until such time as it is cleared. All the while, the balance of rented equity outstanding remains static. The Council should follow up with a view to negotiating a payment plan with the relevant mortgagees to clear the balance on each of these rented equity accounts.

Chief Executive's Response

The finance section will complete a review of all shared ownership loans in 2025 with a view to addressing the matters highlighted above.

5.3 Fire Charges Debtors

At the end of 2024, fire charges arrears totalled €972k. The table below outlines the aged debt of outstanding invoices at the end of the year:

Less Than 1 Year	Between 1 and 2 Years	Between 2 and 3 Years	Greater than 3 Years
€322k	€172k	€122k	€356k

A review at audit noted that there was a lack of follow up of these charges in 2024. In the current year, while there was follow up of outstanding fire charges pertaining to invoices issued in 2024, there was lack of follow up in respect of arrears greater than one year old.

A process is required to be put in place to ensure that all outstanding amounts are pursued for payment in a systematic manner.

The provision for bad debts is considered adequate in respect of these

arrears.

Chief Executive's Response

The Auditor's comments are noted. The Council is continuing work to improve the process of the timely follow up of all fire charges outstanding for payment.

6 Fixed Assets and Work in Progress

6.1 Fixed Assets Overview

At the end of 2024, the net book value of fixed assets totalled €1,614.1m (€1,590.6m in 2023), an increase of €23.5m on the previous year. This increase includes €23.8m in respect of the addition of 89 housing units, coupled with the disposal of 17 housing units at cost of €1.8m. It also includes the purchase of a building for €1.4m which will be developed to become the Local Authority's corporate headquarters.

6.2 Tenant Purchases

In respect of three individual tenant purchase applications being processed during 2024 (where the local authority tenant purchases the dwelling from the Council), due to the mismatching of the land at the time of construction of the relevant dwellings, Cavan County Council is not the registered owner of these properties. This matter was ongoing at the time of conclusion of the audit.

Chief Executive's Response

This matter is being reviewed and will be corrected.

6.3 Transfers from Work in Progress (WIP) to Fixed Assets

A review of WIP noted that, in the case of two housing construction schemes which were completed in 2024, the total cost of the associated housing units capitalised (transferred) to fixed assets exceeded the total costs of construction as recorded in WIP. The amounts involved are immaterial and do not impact on the income and expenditure account.

This is not in compliance with Circular Fin 01/2005 issued by the Department. All costs, including the final account, should be accrued in WIP prior to transferring the total cost of asset construction to fixed assets. The cost transferred to fixed assets should equal the total costs recorded in WIP.

Chief Executive's Response

Procedures have now been put in place to ensure compliance with Circular Fin 01/2005.

6.4 Updating of Financial Management System (FMS) with Fixed Asset Additions

There is a lack of information included in the FMS in respect of housing and land assets. The FMS was not updated to include details such as the folio number and other information such as the size of area in the case of land, in respect of fixed asset additions in 2024. The exclusion of this information is resulting in the inability to match land / property assets in the FMS with that included in the property register (see paragraph 6.5 below).

Chief Executive's Response

In future, this information will be included in the FMS at the time of capitalising new land / property asset additions. In respect of all land / property assets capitalised in previous years, the FMS will be updated with this information in conjunction with the completion of the land / property register.

6.5 Land / Property Register

The land / property register remained incomplete at the end of 2024. I was informed that further progress was made during the year on digitising land / property folios and adding newly built and acquired properties. However, as highlighted at previous audits, pending full completion, a reconciliation of land / properties cannot be completed between this register, the FMS and the insurance register. For this purpose, there should be a common identifier associated with each individual asset for the purpose of identifying and cross-checking to ensure that assets included in the FMS are also included in the property register and vice versa.

Chief Executive's Response

Further progress was made in 2024 on developing / updating the land / property register. New software was procured and installed and all information has been transferred from the old to the new database. Work is continuing digitising land / property folios, updating the new database and adding newly built and acquired properties. The Council remains committed to fully updating the register after which, a reconciliation between this and the FMS will be completed.

7 Capital Account

7.1 Capital Account Overview

At the end of 2024, there was a credit balance on the capital account of €23.9m (€21m in 2023). This balance includes an advance of income of €0.7m received in respect of the Urban Regeneration Fund (see paragraph 10 below) and €0.3m in respect of the public buildings energy efficiency retrofit scheme which was not treated as deferred income in the AFS. This does not impact on the income and expenditure account and is immaterial in the overall context of the AFS.

Total expenditure excluding transfers to revenue was €68.3m in 2024 (€66.2m in 2023). A sum of €32.5m representing 48% of this total pertains to housing projects while €20.6m representing 30% relates to road projects. Some of the larger projects which incurred significant expenditure during 2024 within these programme groups are outlined below:

Programme Group	Project	Expenditure 2024 €m
2	N55 Corduff to South of Killydoon Section B	10.7
1	Turnkey Development at Carrickleck View, Lisaturrin, Kingscourt	7.8
1	Construction of Units at St. Brigid's (Phase 1)	4.2
1	Construction of 45 Units at Pairc na Teile, Bailieboro	2.7
2	Butlersbridge to Border Phase 2	2.4
1	Turnkey Scheme - 32 Units at Woodlands, Ballyjamesduff	2.2
2	Multi Storey Car Park Refurbishment	2.0

7.2 Shannon Pot Discovery Centre / Cavan Burren Park Project

In July 2024, as a result of a competitive tendering process, a contractor was awarded the contract to develop the Shannon Pot Discovery Centre and Cavan Burren Park. The approved tender cost of carrying out these works was €7m inclusive of VAT. In respect of the Shannon Pot Discovery Centre, the agreed construction contract duration was for a period of 13 months with an expected completion date of September 2025.

During 2024, a number of claims over and above the agreed cost of the works were submitted by the contractor totalling €0.7m. At the time of audit, a total of 26 claims have been received by Cavan County Council from the contractor, totalling €1.1m. In addition, the projected completion date for construction works has been extended by over four months to January 2026.

Chief Executive's Response

The Shannon Pot project is currently in the construction phase with significant progress being made over the last four to six weeks. At this point in time, a total of 26 claims amounting to €1.1m have been received by the Council from the contractor. While discussions are ongoing with regard to these claims, a sum of €92k has been determined by the Employer Representative and paid to the contractor to date. It is still envisaged that the project will be complete by quarter 2 2026.

7.3 Multi-Storey Car Park Refurbishment

Glassell Limited, a wholly owned subsidiary of Cavan County Council operates the multi-storey car park in Cavan town (see paragraph 12.2 below).

In 2024, as a result of a competitive tendering process, a contractor was appointed to carry out remedial works on this car park. The approved tender cost of carrying out these works was €4.4m inclusive of VAT.

At the end of 2024, there was a debit (adverse) balance of €1.1m on this project. The Council intends to fund this scheme from development contributions.

Chief Executive's Response

The Auditor's comments are noted. The car park, which has recently been opened for use by the public will be funded from development contributions.

7.4 N55 Corduff to South of Killydoon Section B Roads Scheme

Total costs incurred on the N55 South of Killydoon Section B roads scheme at the end of 2024 amounted to €28.6m. Construction costs account for €24.5m of this total. This is an over-run of €2.0m on the approved tender cost of €22.5m for carrying out these works. These amounts are inclusive of VAT. This scheme is being funded by Transport Infrastructure Ireland.

It was highlighted at the previous audit that the Council would be undertaking a review of miscoding of expenditure on all capital schemes pertaining to the N55 roads project. I have been informed that this review will be completed upon full completion of this project.

Chief Executive's Response

Cavan County Council are currently reviewing old N55 schemes excluding the large N55 Section A and Section B scheme, with respect to possible miscoding. These schemes will be reviewed by both administrative staff and a technical staff member. Other old historic national roads credit balances are being reviewed within this time frame also.

7.5 Accounting for Mobility Aid / Adaptation Grants

Expenditure of €385k relating to the year 2025 was charged to the capital account in 2024 in respect of housing mobility aid / adaptation private house grants payable by the Local Authority. This is immaterial in the overall context of the AFS and does not impact on the income and expenditure account.

It is noted that the 80% portion of mobility aid / adaptation private house grants paid by the Council and fully recoupable from the Department, is currently being accounted for through the capital account. As this expenditure is revenue related, it should be accounted for through the income and expenditure account.

Chief Executive's Response

This expenditure will be accounted for in the income and expenditure account in future.

8 Development Contributions

The development contributions temporary time-limited waiver scheme was extended in 2024 in accordance with Circular PL 02-24 issued by the Department in April 2024.

The total amount waived under this scheme by Cavan County Council for the year ended 31 December 2024 was €2.0m (€345k in 2023).

A total of €1.2m (€1.0m in 2023) was collected in respect of development contributions in 2024. A sample of accounts in arrears selected for review noted that these are being monitored for payment.

In 2024, the Council completed a draft development contribution scheme to replace the current scheme which I have been informed will be presented to the Members in 2025 for their approval.

Chief Executive's Response

The new development contribution scheme is currently at draft stage. The public consultation phase will take place in quarter three of 2025, with the final adoption of the scheme envisaged for quarter four 2025.

9 Derelict Sites

At the end of 2024, there was a total of 24 derelict sites included on the derelict sites register, six of which were added during the year. At year end, no

levies had yet been applied in respect of these sites.

Chief Executive's Response

The number of derelict sites on the register has now increased to 38 and it is anticipated that the first of the levies will be applied to these properties before the end of 2025.

10 Urban Regeneration and Development Fund (URDF) - Third Round of Funding Support

Circular URDF 01/2023 issued in January 2023 by the Department, outlined that €150m was being made available under the Urban Regeneration Fund, Third Round of Funding, for local authorities to acquire long term vacant or derelict properties for onward sale or re-use. This fund is a key initiative in operationalising the Government's Town Centre First policy and the wider National Planning Framework compact growth objectives, to support the growth of towns and urban areas.

The Department approved an allocation of €3.5m for Cavan County Council under this fund. Advanced funding of €0.7m of this allocation was received in July 2023. However, no properties had yet been acquired by the Council by the end of 2024.

Chief Executive's Response

The planning section of Cavan County Council continues to make progress on the URDF Call 3 fund which applies to Cavan town only. There are three properties now ready to be acquired. A number of other sites in the town are also being advanced.

11 Governance of Approved Housing Bodies (AHBs)

At the end of 2024, payments totalling €8.3m (€7.9m in 2023) were made by Cavan County Council to AHBs in the form of capital acquisition leasing facilities. This amount is included in both 'Long Term Debtors' and 'Creditors, Amounts Greater than One Year - Other' at a sum of €9.1m, as it incurs 2% simple interest per annum.

During a review, weaknesses were noted in the governance of AHBs including the following:

- Annual statements of occupancy containing details of tenants are not obtained from each of the AHBs in respect of properties in receipt of funds from the Local Authority

- Reports on the breakdown of current / closed new lets and re-lets, in addition to details of periods of vacancy are not received from AHBs
- Lack of inspections of AHB properties to ensure that properties meet the required standards under the Housing (Standards for Rented Houses) Regulations 2019.

These matters should be addressed. The Local Authority should carry out a review to ensure good governance in the administration of AHBs.

Chief Executive's Response

The Council will address the matters highlighted above in addition to carrying out a complete review to ensure good governance in the administration of AHBs.

12 Local Authority Companies

12.1 Local Authority Companies Overview

The Council's interest in companies is set out in appendix 8 in the AFS and includes brief financial details of these as at the date of the latest financial statements received.

12.2 Glassell Limited

Glassell Limited is a wholly owned subsidiary of Cavan County Council. The principal activity of this company is the operation of a multi-storey car park.

In 2024, Cavan County Council contributed €105k (€150k in 2023) towards the running costs of this company which continues to need the support and financial undertaking from the Council.

According to the accounts for the year ended 31 December 2023, the most recent accounts available, this company incurred a loss of €105k (€117k in 2022).

The accounts of this company were not independently audited, as it availed of the audit exemption on the grounds that it meets the conditions specified in Section 359 of the Companies Act 2014.

12.3 Cavan Regional Health and Leisure CLG

Cavan Regional Health and Leisure company is limited by guarantee. The principal activity of this entity is the provision of sports and leisure facilities to the public.

Cavan County Council contributed €472k in 2024 (€275k in 2023) towards the running costs of this company. This amount includes loan repayments made by the Council on behalf of the company.

The audited accounts for the year ended 31 December 2023, the most recent available, indicated that loans payable in respect of this company totalled €606k (€665k in 2022). These borrowings are secured by a letter of comfort from Cavan County Council to the value of €1.15m.

The company incurred a deficit of €137k in 2023 (€66k in 2022).

12.4 Cavan Digital Hub Limited

This is a wholly owned subsidiary of Cavan County Council. The principal activity of this company is to promote the digital economy within County Cavan and to act as a launch pad for digital start-ups.

Cavan County Council contributed a total of €115k in 2024 (€115k in 2023) towards the running costs of this company. The company also received a sum of €20k (€20k in 2023) from the Local Enterprise Office.

According to the audited accounts for the year ended 30 June 2024, the most recent available, the company made a profit of €26k (€360 for the year ended 30 June 2023).

Chief Executive's Response

The Auditor's comments are noted. The Council's interest in local authority companies is set out in Appendix 8 in the AFS with related financial information. The Council contributes to the running costs of these companies and provides for this in the annual budget. This will be kept under review for 2025.

13 Governance and Propriety

13.1 Corporate Governance

Corporate governance comprises the systems and procedures by which enterprises are directed and controlled. It is the responsibility of the Chief Executive to ensure that such systems and procedures exist and are robust.

13.2 Statement on Internal Financial Control (SIFC) and Governance Statement

In accordance with Circular LG08-2025, local authorities are now required to prepare and publish a SIFC and a Governance Statement as part of their

Annual Reports for 2024. The SIFC, which is signed by the Chief Executive, includes their summary of the financial standing of the local authority and the key internal financial controls. The Governance Statement affirms the Council's compliance with the Local Government Code of Governance obligations and is signed by the Cathaoirleach / Mayor of the Council and the Chief Executive.

The annual report of Cavan County Council, which includes the SIFC and the Governance Statement, was published in June 2025.

Chief Executive's Response

The SIFC was prepared, signed by the Chief Executive and included in the Annual Report 2024. The Governance Statement which was signed by both the Cathaoirleach and the Chief Executive was also included in the Annual Report 2024.

13.3 Fraud and Contingency Plan

There is a Fraud and Contingency Plan in place in the Council. As this plan was last updated in January 2019, it is recommended that it be reviewed and updated if considered necessary.

Chief Executive's Response

The Fraud and Contingency Plan will be reviewed and updated as required.

13.4 Risk Management

The Council's Corporate Risk Register which incorporates the overarching risks of the Local Authority was provided to me during the audit. This register is reviewed on an ongoing basis and updated as required.

Risk registers are also maintained in respect of each directorate and updated on an ongoing basis.

13.5 Internal Audit

Under the Local Government (Finance and Audit Procedures) Regulations 2014, local authorities are required to maintain an adequate and effective system of internal audit of its accounting records and control systems.

The internal audit unit continued to deliver a high quality service during 2024, completing a total of 15 reports which included two public spending code in depth reviews and a review of the Social Inclusion & Community Activation Programme (SICAP) for 2023. A number of cash control checks were also completed, in addition to a 'Purchase to Pay' control statistics report.

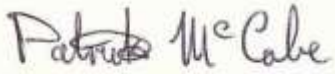
The Internal Audit Plan for 2024 was approved by the audit committee and the Chief Executive.

13.6 Audit Committee

The Council's audit committee met on four occasions during 2024. This committee plays a pivotal role, contributing to the independent oversight of corporate governance within the Council.

Acknowledgement

I wish to record my appreciation for the courtesy and co-operation extended to audit by the management and staff of the Council.

A handwritten signature in dark ink on a light yellow background. The signature reads "Patrick McCabe" in a cursive, slightly stylized script. The first name "Patrick" is written with a large 'P' and the last name "McCabe" follows with a distinct 'M' and 'C'.

Patrick McCabe

Local Government Auditor

18 June 2025

gov.ie/housing

Department of Housing, Local Government and Heritage



Rialtas na hÉireann
Government of Ireland